

DATE: November 18, 2020**FILE:** 1750-25_2021**TO:** Chair and Directors
Regional District Board**FROM:** Russell Dyson
Chief Administrative OfficerSupported by Russell Dyson
Chief Administrative Officer***R. Dyson*****RE: Revenue Anticipation Borrowing Bylaw No. 629, 2021****Purpose**

To provide the Comox Valley Regional District (CVRD) Board with the supporting background and a recommendation to approve the Revenue Anticipation Borrowing Bylaw No 629, 2021. This bylaw allows the CVRD to borrow funds to meet lawful current year expenditures before the current year revenues have been collected from all sources.

Recommendation from the Chief Administrative Officer:

THAT the Comox Valley Regional District Board approve the Revenue Anticipation Borrowing Bylaw No. 629, 2021 for the 2021 fiscal year.

Executive Summary:

- It is an annual requirement that a revenue anticipation bylaw be adopted for the next fiscal year. As regional districts receive most of their revenue (i.e. taxation through requisition) in July, it may become necessary to borrow funds to meet the lawful expenditures approved in the 2021 – 2025 financial plan.
- Typically the funds are borrowed through either the Royal Bank of Canada – the CVRD's organizational financial institution, or the Municipal Finance Authority. The loans are secured through a promissory note and interest is calculated daily on the loan balance.
- As a revenue anticipation bylaw is only valid for the current year, a new bylaw must be adopted each year for the next fiscal year, with a full repayment date of August 31, 2021.
- A revenue anticipation loan ensures that the CVRD can continue to manage the operational cash flow needs until the revenues due from other agencies (property taxation) have been forwarded to the CVRD on August 1, 2021.

The CVRD has several large infrastructure projects continuing into 2021 and operational expenses will remain constant during the 2021 fiscal year. The revenue anticipation loan of \$25,000,000 will ensure that the CVRD has the cash flow necessary to meet all lawful and approved expenditures.

Prepared by:

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Concurrence:

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Concurrence:

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Myriah Foort, CPA, CA
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COMOX VALLEY REGIONAL DISTRICT

BYLAW NO. 629

A bylaw to authorize the borrowing of twenty-five million dollars (\$25,000,000.00) to meet the current lawful expenditures of the regional district.

WHEREAS under section 404 of the *Local Government Act* (RSBC, 2015, c. 1) a regional district may by bylaw provide for the borrowing of money that may be necessary to meet its current lawful expenditures before its revenue, from all sources, to pay for those expenditures has been received;

NOW THEREFORE the Comox Valley Regional District board in open meeting assembled enacts as follows:

Revenue anticipation borrowing

1. (a) It shall be lawful for the Comox Valley Regional District to borrow from the Royal Bank of Canada and/or the Municipal Finance Authority the sum of twenty-five million dollars (\$25,000,000.00) in such amounts and at such times as may be required.
- (b) The monies so borrowed and the interest thereon shall be paid before the 31st day of August 2021.
- (c) The form of obligation to be given as an acknowledgment of the liability shall be a promissory note or notes for sums as may be required and advanced from time to time signed by the corporate financial officer, the chair, vice-chair, or the chief administrative officer, bearing the seal of the regional district. The said note or notes shall be payable with interest before the 31st day of August 2021.

Citation

This Bylaw No 629 may be cited for all purposes as the “**Revenue Anticipation Borrowing Bylaw No.629, 2021**”.

Read a First and Second Time This

Day of

May

Read a Third Time This

Day of

May

Adopted This

Day of

May

Chair

Corporate Legislative Officer

I hereby certify the foregoing to be a true and correct copy of Bylaw No. being “Revenue Anticipation Borrowing Bylaw No. 629, 2021” as adopted by the board of the Comox Valley Regional District on the day of 2020.

Corporate Legislative Officer